

LSU HEALTH SCIENCES FOUNDATION
IN SHREVEPORT AND SUBSIDIARIES
SHREVEPORT, LOUISIANA
JUNE 30, 2013 AND 2012

LSU HEALTH SCIENCES FOUNDATION IN SHREVEPORT AND SUBSIDIARIES

SHREVEPORT, LOUISIANA

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AUDITED FINANCIAL STATEMENTS

HEARD, McELROY, & VESTAL

L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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August 30, 2013

The Board of Directors
LSU Health Sciences Foundation in Shreveport
Shreveport, Louisiana

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the LSU Health Sciences Foundation in Shreveport and Subsidiaries, which comprise the consolidated statements of financial position as of June 30, 2013 and 2012, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the LSU Health Sciences Foundation in Shreveport and Subsidiaries as of June 30, 2013 and 2012, and the consolidated changes in their net assets and their cash

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flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying other financial information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Heard, McElroy & Vistal, LLC

Shreveport, Louisiana

LSU HEALTH SCIENCES FOUNDATION IN SHREVEPORT AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2013 AND 2012

<u>A S S E T S</u>	<u>2013</u>	<u>2012</u>
Cash	1,861,564	1,871,957
Accounts receivable	458,953	251,639
Pledges receivable-Note 3	28,300	809,851
Investments-pools-Note 4	45,417,785	38,942,552
Investments-CFeist Legacy-Note 5	64,754,869	58,080,931
Investments-Burton Legacy-Note 6	4,724,648	5,392,063
Investments-MFeist Legacy-Note 7	46,113,131	-
Investments-LSU Health Shreveport-endowments-Note 7	9,043,500	-
Investments-other	277,265	227,436
Equipment and furniture, less accumulated depreciation of \$75,812 and \$60,251, respectively	18,078	33,639
Investment in real estate-Notes 9 and 10	4,307,452	4,364,813
Other assets	<u>22,428</u>	<u>102,233</u>
Total assets	<u>177,027,973</u>	<u>110,077,114</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Liabilities:</u>		
Accounts payable	1,855,979	351,991
Other payables	221,315	146,971
Notes payable-Note 10	534,995	786,406
Due to LSU Health Shreveport-BOR match-Note 11	7,403,497	6,545,969
Due to LSU Health Shreveport-MFeist Legacy-Note 7	46,113,131	-
Due to LSU Health Shreveport-endowments-Note 7	<u>9,043,500</u>	<u>-</u>
Total liabilities	65,172,417	7,831,337
<u>Net assets:</u>		
Unrestricted:		
Board designated	1,314,808	842,531
Undesignated	<u>11,841,522</u>	<u>12,291,197</u>
Total unrestricted	13,156,330	13,133,728
Temporarily restricted-Note 12	86,586,654	77,805,805
Permanently restricted-Notes 13 and 14	<u>12,112,572</u>	<u>11,306,244</u>
Total net assets	<u>111,855,556</u>	<u>102,245,777</u>
Total liabilities and net assets	<u>177,027,973</u>	<u>110,077,114</u>

The accompanying notes are an integral part of the consolidated financial statements.

LSU HEALTH SCIENCES FOUNDATION IN SHREVEPORT AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	2013			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>Support, revenues and gains:</u>				
Contributions	586,506	4,728,817	120,500	5,435,823
Income on investments	492,582	1,837,034	286,696	2,616,312
Net realized and unrealized gains (losses) on investments	61,660	7,214,933	1,108,416	8,385,009
Management fee income	2,091,788	-	-	2,091,788
Rental income	66,843	-	-	66,843
Total support, revenues and gains	3,299,379	13,780,784	1,515,612	18,595,775
<u>Net assets released from restrictions</u>	5,786,246	(5,666,879)	(119,367)	-
<u>Transfers between classifications</u>	(77,027)	666,944	(589,917)	-
<u>Total support, revenue, gains and reclassifications</u>	9,008,598	8,780,849	806,328	18,595,775
<u>Expenses:</u>				
Management and general	1,577,057	-	-	1,577,057
LSU Health Sciences Center Support:				
Specified by donors for Feist-Weiller Cancer Center	4,717,775	-	-	4,717,775
Specified by donors for other departments	1,068,471	-	-	1,068,471
Specified by the Board of Directors	1,622,693	-	-	1,622,693
Total support	7,408,939	-	-	7,408,939
Total expenses	8,985,996	-	-	8,985,996
<u>Change in net assets</u>	22,602	8,780,849	806,328	9,609,779
<u>Net assets at beginning of period as previously reported</u>	13,133,728	77,805,805	11,306,244	102,245,777
<u>Reclassification of net assets</u>	-	-	-	-
<u>Adjusted net asset at beginning of period</u>	13,133,728	77,805,805	11,306,244	102,245,777
<u>Net assets at end of period</u>	13,156,330	86,586,654	12,112,572	111,855,556

The accompanying notes are an integral part of the consolidated financial statements.

2012			
<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
459,871	4,618,085	527,508	5,605,464
420,701	1,679,324	230,850	2,330,875
143,953	(955,898)	(127,896)	(939,841)
1,270,690	-	-	1,270,690
<u>140,107</u>	<u>-</u>	<u>-</u>	<u>140,107</u>
2,435,322	5,341,511	630,462	8,407,295
4,214,281	(4,097,483)	(116,798)	-
<u>(105,534)</u>	<u>713,473</u>	<u>(607,939)</u>	<u>-</u>
6,544,069	1,957,501	(94,275)	8,407,295
1,539,917	-	-	1,539,917
3,172,863	-	-	3,172,863
1,041,418	-	-	1,041,418
<u>652,681</u>	<u>-</u>	<u>-</u>	<u>652,681</u>
<u>4,866,962</u>	<u>-</u>	<u>-</u>	<u>4,866,962</u>
<u>6,406,879</u>	<u>-</u>	<u>-</u>	<u>6,406,879</u>
137,190	1,957,501	(94,275)	2,000,416
12,582,834	76,262,008	11,400,519	100,245,361
<u>413,704</u>	<u>(413,704)</u>	<u>-</u>	<u>-</u>
<u>12,996,538</u>	<u>75,848,304</u>	<u>11,400,519</u>	<u>100,245,361</u>
<u>13,133,728</u>	<u>77,805,805</u>	<u>11,306,244</u>	<u>102,245,777</u>

LSU HEALTH SCIENCES FOUNDATION IN SHREVEPORT AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
<u>Cash flows from operating activities:</u>		
Change in net assets	9,609,779	2,000,416
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	72,922	72,729
Net realized and unrealized (gain) loss on long-term investments	(8,385,009)	939,841
Donation of investment in real estate	-	510,000
(Increase) in accounts receivable	(207,314)	(245,628)
(Increase) decrease in pledges receivable	781,551	(728,317)
(Increase) decrease in other assets	79,805	(81,184)
Increase (decrease) in accounts payable	1,503,988	(2,408,760)
Increase in other payable	74,344	53,610
Increase in due to LSU Health Shreveport	<u>857,528</u>	<u>352,076</u>
Net cash provided by operating activities	4,387,594	464,783
<u>Cash flows from investing activities:</u>		
Purchase of real estate and fixed assets	-	(116,313)
Purchase of investments-net	<u>(4,146,576)</u>	<u>(439,926)</u>
Net cash (used) by investing activities	(4,146,576)	(556,239)
<u>Cash flows from financing activities:</u>		
Repayment of notes payable	<u>(251,411)</u>	<u>(281,637)</u>
Net cash (used) by financing activities	<u>(251,411)</u>	<u>(281,637)</u>
<u>Net (decrease) in cash</u>	(10,393)	(373,093)
<u>Cash at beginning of period</u>	<u>1,871,957</u>	<u>2,245,050</u>
<u>Cash at end of period</u>	<u>1,861,564</u>	<u>1,871,957</u>
<u>Supplemental disclosure of cash flow information:</u>		
Cash paid for interest	<u>34,502</u>	<u>51,586</u>

The accompanying notes are an integral part of the consolidated financial statements.

LSU HEALTH SCIENCES FOUNDATION IN SHREVEPORT AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2013 AND 2012

1. Nature of Business

The consolidated financial statements include the LSU Health Sciences Foundation in Shreveport and its wholly-owned subsidiaries - Foundation Property, LLC; Foundation General Holdings, LLC; and Intermodal Transit Facility, LLC. All significant intercompany accounts and transactions, except for management fees, have been eliminated in consolidation.

The LSU Health Sciences Foundation in Shreveport (the Foundation) is a public, nonprofit corporation formed in 1997 and governed by a board of directors. The organization's goal is to support, enhance, and assist the LSU Health Sciences Center Shreveport (the Center) in its many endeavors by expanding the public's awareness of the Center's many contributions to medical research, education of medical professionals, and quality health care, to develop and enhance financial support for the Center, and provide the means through which financial support is received and administered.

Foundation Property, LLC and Foundation General Holdings, LLC were formed in July 2006. Foundation Property, LLC was formed to hold all real estate previously acquired by the Foundation, and Foundation General Holdings, LLC was formed to hold all new acquisitions of real estate.

Intermodal Transit Facility, LLC was formed in March 2007 to purchase property and construct an intermodal transit oriented facility as a ride link for the City of Shreveport's SporTran passengers and the Center's patients, employees, students, and customers. Intermodal Transit Facility, LLC entered into a Cooperative Endeavor Agreement with the City of Shreveport which governed the use of \$1,235,949 of Section 5309 Federal Transit Administration funds earmarked as an 80% match for construction of the intermodal transit facility. In order to receive these grant funds, Intermodal Transit Facility, LLC was required to provide a match equal to 20% of the project cost. In addition, Intermodal Transit Facility, LLC was required to pay the City of Shreveport an administrative fee in the amount of 10% of the total FTA grant funds used for the project. Construction of the intermodal transit facility was completed in June 2009, and the total cost of the facility including the purchase of property and administrative fees of \$1,609,160 net of accumulated depreciation is reflected as an investment in real estate in the consolidated financial statements. A summary of the project's activity follows:

<u>Year Ended June 30,</u>	<u>Capitalized Expenditures</u>	<u>Expensed Expenditures</u>	<u>Capitalized Administrative Fees</u>	<u>Total Project Cost</u>	<u>Less Grant Income</u>	<u>Intermodal's Match Plus Admin. Fees</u>
2007	748,749	-	59,900	808,649	598,999	209,650
2008	110,402	-	8,832	119,234	88,322	30,912
2009	630,515	4,016	50,762	685,293	507,624	177,669
	<u>1,489,666</u>	<u>4,016</u>	<u>119,494</u>	<u>1,613,176</u>	<u>1,194,945</u>	<u>418,231</u>

2. Summary of Significant Accounting Policies

- a. The financial statements of the Foundation are prepared on the accrual basis, under which revenues are recorded when earned, and expenses are recorded when the liability is incurred.

The Foundation is required to report information regarding its financial position and activities according to three classes of net assets as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations. Some unrestricted net assets may be designated by the Board for specific purposes.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met by actions of the Foundation, and/or by the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, donors permit all or part of the income earned on these assets to be used for general or specific purposes.

- b. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor-imposed restrictions.
- c. Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.
- d. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- e. For purposes of the statement of cash flows, cash includes amounts on hand and amounts on deposit at financial institutions. The Foundation, at times, may have deposits in excess of FDIC insured limits. Management believes the credit risk associated with these deposits is minimal.
- f. The LSU Health Sciences Foundation in Shreveport qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Foundation Property, LLC; Foundation General Holdings, LLC; and Intermodal Transit Facility, LLC are single-member LLCs and are considered disregarded entities for tax purposes. Therefore, no provision for income taxes has been made in the financial statements, but the Foundation is required to file an annual information return. The Foundation is also required to review various tax positions it has taken with respect to its exempt status and determine whether in fact it is a tax exempt entity. The Foundation must also consider whether it has nexus in jurisdictions in which it has income and whether a tax return is required in those jurisdictions. In addition, as a tax exempt entity, the Foundation must assess whether it has any tax positions associated with unrelated business income subject to income tax. The Foundation does not expect its positions to change significantly over the next twelve months. Any penalties related to late filing or other requirements would be recognized as penalties expense in the Foundation's accounting records.

The Foundation files U.S. federal Form 990 for informational purposes. The Foundation's federal income tax returns for the tax years 2009 and beyond remain subject to examination by the Internal Revenue Service.

2. Summary of Significant Accounting Policies (Continued)

- g. Investments are reported at fair value, which is determined by the last reported sales price at current exchange rates, if traded on a national exchange, and investments that do not have an established market are reported at estimated fair value. Cash deposits are reported at carrying amounts which reasonably estimates fair value. Fixed income securities are generally valued by reference to outside pricing services, generally using a matrix system incorporating security quality, maturity, and coupon as the valuation model parameters, research, and a review of broker-dealer market price quotations.

The asset allocation of the Foundation's investment portfolio involves exposure to a diverse set of markets. The investments within these markets involve various risks, such as interest rate, market, credit, and liquidity risks. The Foundation anticipates that the value of its investments may, from time to time, fluctuate substantially as a result of these risks.

- h. Equipment and furniture are stated at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over an estimated useful life of three to seven years.
- i. Investments in real estate are stated at cost if purchased, and at fair market value at date of donation, if donated, less accumulated depreciation on any improvements. Depreciation of improvements is calculated using the straight-line method over an estimated useful life of fifteen years.
- j. The Foundation's financial instruments, excluding investments which are recorded at estimated fair value, include cash, pledges receivable, and notes payable. The Foundation estimates that the fair values of these financial instruments at June 30, 2013 and 2012 do not differ materially from the aggregate carrying values of these financial instruments recorded in the accompanying financial statements.
- k. Certain amounts in the fiscal year ended June 30, 2012 financial statements have been reclassified to conform to the fiscal year ended June 30, 2013 presentation.

3. Pledges Receivable

Pledges receivable is summarized as follows as of June 30, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Unconditional pledges expected to be collected in:		
Less than one year	28,300	279,972
One year to five years	-	529,879
More than five years	-	-
Pledges receivable	<u>28,300</u>	<u>809,851</u>

4. Investments-Pools

Investments-pools consisted of money market funds held at JPMorgan Chase Bank, units of The Commonfund for Nonprofit Organizations ("Commonfund") commingled funds, marketable securities held in JPMorgan brokerage accounts, and marketable securities and trust assets held in Regions Trust accounts. Unit contributions and redemptions to Commonfund funds must meet certain dollar value requirements and are only permitted on certain days of the month with written notice required. Redemptions from Commonfund funds may be limited or temporarily suspended in certain circumstances, such as in the event that the fund is unable to redeem sufficient funds managed by Subadvisors or in the event that disposal of part or all of the Fund's assets to meet redemption requests would be prejudicial to members. Investments-pools are presented below with their respective market values and costs as of June 30, 2013 and 2012.

4. Investments-Pools (Continued)

	<u>2013</u>		<u>2012</u>	
	<u>Market</u>	<u>Cost</u>	<u>Market</u>	<u>Cost</u>
	<u>Value</u>		<u>Value</u>	
<u>Unrestricted Pool</u>				
Fixed Income:				
Commingled funds	<u>1,855,068</u>	<u>1,831,681</u>	<u>2,178,965</u>	<u>2,121,905</u>
Total Fixed Income	<u>1,855,068</u>	<u>1,831,681</u>	<u>2,178,965</u>	<u>2,121,905</u>
Total Unrestricted Pool	<u>1,855,068</u>	<u>1,831,681</u>	<u>2,178,965</u>	<u>2,121,905</u>
<u>Nonendowed Pool</u>				
Cash and cash equivalents	2,893,692	2,893,692	1,853,753	1,853,753
Fixed Income:				
U.S. government agencies	734,680	749,930	815,570	815,000
Municipals	1,853,538	1,746,982	1,972,807	1,790,845
Corporates	2,348,766	2,389,804	886,006	897,097
Commingled funds	<u>3,265,775</u>	<u>3,096,486</u>	<u>1,709,538</u>	<u>1,440,175</u>
Total Fixed Income	<u>8,202,759</u>	<u>7,983,202</u>	<u>5,383,921</u>	<u>4,943,117</u>
Due from other funds	<u>500,043</u>	<u>500,043</u>	-	-
Total Nonendowed Pool	<u>11,596,494</u>	<u>11,376,937</u>	<u>7,237,674</u>	<u>6,796,870</u>
<u>General/Feist Endowed Pool</u>				
Cash and cash equivalents	326,315	326,315	409,547	409,547
Fixed Income:				
U.S. government agencies	99,548	99,965	350,076	350,000
Municipals	705,721	657,677	824,364	748,991
Corporates	461,810	466,591	273,843	273,707
Domestic mutual funds	1,056,621	1,067,469	1,213,556	1,220,690
International mutual funds	244,957	258,696	133,044	137,903
Commingled funds	<u>1,829,834</u>	<u>1,621,596</u>	<u>1,697,280</u>	<u>1,490,545</u>
Total Fixed Income	<u>4,398,491</u>	<u>4,171,994</u>	<u>4,492,163</u>	<u>4,221,836</u>
Equity:				
Domestic common stock	2,111,106	1,652,729	1,190,749	979,190
Domestic mutual funds	2,085,964	1,415,920	2,461,749	2,106,041
International common stock	59,447	46,950	20,966	20,248
International mutual funds	1,178,179	1,140,820	926,263	934,643
Commingled funds	<u>3,445,041</u>	<u>2,917,248</u>	<u>3,070,483</u>	<u>3,139,776</u>
Total Equity	<u>8,879,737</u>	<u>7,173,667</u>	<u>7,670,210</u>	<u>7,179,898</u>

4. Investments-Pools (Continued)

	<u>2013</u>		<u>2012</u>	
	<u>Market</u> <u>Value</u>	<u>Cost</u>	<u>Market</u> <u>Value</u>	<u>Cost</u>
Alternatives:				
Hedge funds	540,982	500,000	499,812	500,000
Real estate and infrastructure	69,822	66,983	105,916	100,000
Hard assets	<u>45,500</u>	<u>63,641</u>	<u>35,807</u>	<u>44,759</u>
Total Alternatives	656,304	630,624	641,535	644,759
Structured investments	<u>248,468</u>	<u>256,436</u>	<u>412,603</u>	<u>406,436</u>
Total General/Feist Endowed Pool	<u>14,509,315</u>	<u>12,559,036</u>	<u>13,626,058</u>	<u>12,862,476</u>
<u>Future Endowment Pool</u>				
Cash and cash equivalents	<u>360,088</u>	<u>360,088</u>	<u>769,534</u>	<u>769,534</u>
Total Future Endowment Pool	<u>360,088</u>	<u>360,088</u>	<u>769,534</u>	<u>769,534</u>
<u>BRSF Pool</u>				
Cash and cash equivalents	1,094,333	1,094,333	1,160,258	1,160,258
Fixed Income:				
U.S. government agencies	295,606	299,965	300,228	299,963
Municipals	861,942	821,186	825,635	748,962
Corporates	608,822	615,334	333,548	337,383
Domestic mutual funds	1,172,906	1,185,122	1,292,976	1,300,696
International mutual funds	266,350	282,500	91,736	95,000
Commingled funds	<u>1,980,999</u>	<u>1,765,443</u>	<u>2,221,308</u>	<u>1,986,670</u>
Total Fixed Income	5,186,625	4,969,550	5,065,431	4,768,674
Equity:				
Domestic common stock	2,210,352	1,731,341	1,253,436	1,028,026
Domestic mutual funds	2,421,899	1,675,832	2,564,808	2,185,727
International common stock	64,151	50,275	23,306	22,512
International mutual funds	1,282,209	1,299,697	938,073	986,998
Commingled funds	<u>3,820,626</u>	<u>2,708,582</u>	<u>3,032,543</u>	<u>2,551,761</u>
Total Equity	9,799,237	7,465,727	7,812,166	6,775,024
Alternatives:				
Hedge funds	601,297	562,500	560,939	562,500
Real estate and infrastructure	<u>208,296</u>	<u>199,827</u>	<u>211,833</u>	<u>200,000</u>
Total Alternatives	809,593	762,327	772,772	762,500
Structured investments	<u>207,032</u>	<u>205,000</u>	<u>319,694</u>	<u>305,000</u>
Total BRSF Pool	<u>17,096,820</u>	<u>14,496,937</u>	<u>15,130,321</u>	<u>13,771,456</u>
Total Investments-pool	<u>45,417,785</u>	<u>40,624,679</u>	<u>38,942,552</u>	<u>36,322,241</u>

5. CFeist Legacy

Carroll W. Feist died on July 29, 2005. His Will and codicils created ambiguities with respect to the identity of the universal legatee. The proper universal legatee was either Louisiana State University or The LSU Health Sciences Foundation in Shreveport. The parties compromised and agreed that Mr. Feist's Will should be interpreted so that the universal legatee is the Foundation. The parties entered into a written agreement whereby the management details of the legacy from Mr. Feist were outlined.

The bequest will be used for cancer research at the LSU Health Sciences Center, Shreveport, Louisiana. After appropriate approvals, the Foundation may spend income of the Feist account up to a maximum in any one fiscal year of \$1,000,000. Principal may also be spent after appropriate approvals have been obtained.

Because of the difficulty in valuing certain assets in the Succession, the contribution will be recorded as the assets are received from the Succession. Distributions received from the Succession and recorded as contributions since inception are as follows:

Year Ended June 30,	<u>Income</u>	<u>Principal</u>	<u>Total Distributions</u>
2006	2,312,389	23,557,148	25,869,537
2007	1,144,781	5,683,039	6,827,820
2008	2,728,319	3,648,281	6,376,600
2009	2,086,779	1,168,221	3,255,000
2010	1,064,881	485,119	1,550,000
2011	1,124,600	475,400	1,600,000
2012	1,171,168	563,832	1,735,000
2013	<u>1,144,435</u>	<u>2,040,565</u>	<u>3,185,000</u>
	<u>12,777,352</u>	<u>37,621,605</u>	<u>50,398,957</u>

Investments from the CFeist Legacy consisted of units of Commonfund commingled funds, marketable securities held in JPMorgan brokerage accounts, and marketable securities and trust assets held in a Regions Trust account.

Investments-CFeist Legacy are presented below with their respective market values and costs as of June 30, 2013 and 2012.

	<u>2013</u>		<u>2012</u>	
	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>
Cash and cash equivalents	1,555,295	1,555,295	966,672	966,672
Fixed Income:				
U.S. government agencies	732,295	749,930	1,250,868	1,250,038
Mortgage backed	17,408	16,375	33,311	30,105
Municipals	2,551,027	2,395,394	3,008,564	2,754,470
Corporates	2,100,451	2,132,438	1,394,441	1,410,858
Domestic mutual funds	6,457,191	6,470,739	5,787,550	5,621,007
International mutual funds	1,060,759	1,128,165	3,173,190	3,162,696
Commingled funds	<u>8,021,723</u>	<u>7,767,880</u>	<u>7,667,291</u>	<u>7,470,655</u>
Total Fixed Income	20,940,854	20,660,921	22,315,215	21,699,829

5. CFeist Legacy (Continued)

	<u>2013</u>		<u>2012</u>	
	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>
Equities:				
Domestic common stock	9,719,121	7,624,463	8,104,991	7,036,836
Domestic mutual funds	8,992,503	5,999,076	7,982,487	6,405,264
International common stock	322,134	253,036	118,510	115,268
International mutual funds	5,215,544	5,345,648	1,679,766	1,950,690
Commingled funds	<u>14,810,504</u>	<u>12,748,651</u>	<u>12,563,448</u>	<u>12,997,021</u>
Total Equities	39,059,806	31,970,874	30,449,202	28,505,079
Alternatives:				
Hedge funds	2,055,732	1,900,000	1,899,286	1,900,000
Real estate and infrastructure	395,804	379,711	400,120	366,186
Hard assets	<u>200,581</u>	<u>271,634</u>	<u>156,000</u>	<u>188,538</u>
Total Alternatives	2,652,117	2,551,345	2,455,406	2,454,724
Structured investments	1,046,840	1,070,458	1,894,436	1,860,458
Due to other funds	<u>(500,043)</u>	<u>(500,043)</u>	<u>-</u>	<u>-</u>
Total Investments-CFeist Legacy	<u>64,754,869</u>	<u>57,308,850</u>	<u>58,080,931</u>	<u>55,486,762</u>

Following is a summary of the transactions on the CFeist Legacy for the years ended June 30, 2013 and 2012. All of the activity is reflected in the Foundation's accompanying consolidated financial statements as of and for the years ended June 30, 2013 and 2012.

	<u>2013</u>		<u>2012</u>	
	<u>Income</u>	<u>Principal</u>	<u>Total Market Value</u>	<u>Total Market Value</u>
Net asset balances at beginning of year	16,275,923	41,840,869	58,116,792	56,981,291
Activity during the year:				
Distributions from Succession	1,144,435	2,040,565	3,185,000	1,735,000
Distribution from Carroll W. Feist Testamentary Trust	-	-	-	603,528
Interest and dividend income	1,548,276	-	1,548,276	1,410,559
Realized gain (loss)	-	343,907	343,907	(545,686)
Unrealized gain (loss)	-	5,691,350	5,691,350	(72,168)
Management fees	(460,159)	(460,159)	(920,318)	(854,420)
Other expenses	(195,885)	-	(195,885)	(184,334)
Transfer to spending account	<u>(2,997,251)</u>	<u>-</u>	<u>(2,997,251)</u>	<u>(956,978)</u>
Net asset balances at end of year	<u>15,315,339</u>	<u>49,456,532</u>	<u>64,771,871</u>	<u>58,116,792</u>

5. CFeist Legacy (Continued)

Consists of:

Above investments	64,754,869	58,080,931
Checking account	7,724	7,724
Distribution receivable	250,000	250,000
Management fees and other payable	<u>(240,722)</u>	<u>(221,863)</u>

Total net assets at end of year	<u>64,771,871</u>	<u>58,116,792</u>
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In addition to the above, there are undistributed assets in the Succession totaling approximately \$16,400,000 (principal - \$16,200,000 and income \$200,000) as of June 30, 2013. As stated above, such assets will be reflected in the Foundation's financial statements when distributed by the Succession and received by the Foundation.

6. Burton Legacy

The Foundation was the beneficiary of the Residuary Estate of Cleveland C. Burton. Mr. Burton died on February 22, 2008, and the fair value of his estate was recorded as an unrestricted contribution during the year ended June 30, 2008. The fair value of the Foundation's interest in the estate as of June 30, 2008, \$6,233,949, was classified as a beneficial interest in estate in the statement of financial position. The Foundation took possession of the assets during the year ended June 30, 2009, and the assets were then classified as investments-Burton Legacy in the statement of financial position. As of June 30, 2013 and 2012, the investments from the Burton Legacy consisted of marketable securities held in a JPMorgan brokerage account, which are detailed below:

	<u>2013</u>		<u>2012</u>	
	<u>Market</u>		<u>Market</u>	
	<u>Value</u>	<u>Cost</u>	<u>Value</u>	<u>Cost</u>
Cash and cash equivalents	163,679	163,679	570,457	570,457
Fixed Income:				
Domestic mutual funds	1,442,484	1,389,752	1,478,735	1,412,586
International mutual funds	<u>196,833</u>	<u>208,649</u>	<u>118,961</u>	<u>125,887</u>
Total Fixed Income	1,639,317	1,598,401	1,597,696	1,538,473
Equities:				
Domestic mutual funds	1,296,394	1,013,681	1,263,807	1,082,829
International mutual funds	<u>626,678</u>	<u>607,704</u>	<u>603,546</u>	<u>593,337</u>
Total Equities	1,923,072	1,621,385	1,867,353	1,676,166
Alternatives:				
Hedge funds	440,134	450,776	493,704	500,894
Real estate and infrastructure	97,953	66,615	141,788	86,209
Hard assets	<u>115,946</u>	<u>111,879</u>	<u>197,562</u>	<u>177,097</u>
Total Alternatives	654,033	629,270	833,054	764,200
Structured investments	<u>344,547</u>	<u>325,000</u>	<u>523,503</u>	<u>520,000</u>
Total Investments-Burton Legacy	<u>4,724,648</u>	<u>4,337,735</u>	<u>5,392,063</u>	<u>5,069,296</u>

7. Agency Investments

In 1986, the LSU Board of Supervisors received a substantial monetary bequest from Malcolm W. Feist, who specified in his testament that the bequest was to be used for the benefit of LSU Health Sciences Center at Shreveport. An agreement was executed on May 9, 2012 between the LSU Board of Supervisors and the Foundation authorizing the Foundation to provide management and investment services for these funds, in return for which the Foundation is entitled to a monthly management fee. The agreement is effective July 1, 2012. The agreement specifies that MFeist Legacy funds will remain state funds owned by the Board of Supervisors. The funds will be used for purposes consistent with the donor's express intent and deemed appropriate by the Chancellor of LSU Health Sciences Center at Shreveport; the Chancellor's approval is required for withdrawal.

While the funds remain state-owned, the Foundation will act as agent as described in the provisions of FASB ASC 958, and therefore record an asset and liability for the amount transferred. As of June 30, 2013, total cash and investments totaled \$46,113,131.

On January 1, 2013, another agreement was executed between the LSU Board of Supervisors and the Foundation authorizing the Foundation to provide management and investment services for certain other LSU Health Science Center at Shreveport endowments. These funds remain state owned, thereby the Foundation will act as an agent as described in the provisions of FASB ASC 956, and thereafter record an asset and liability for the amount transferred. As of June 30, 2013, cash and investments totaled \$9,043,500.

Agency investments consisted of marketable securities and trust assets held in Regions Trust accounts and marketable securities held in Raymond James brokerage accounts. Agency investments are presented below with their respective market values and cost as of June 30, 2013.

	<u>Market Value</u>	<u>Cost</u>
Cash and cash equivalents	6,895,401	6,895,401
Fixed Income:		
U.S. government agencies	5,631,998	5,746,316
Municipals	13,640,860	13,899,360
Corporates	17,948,418	18,092,247
Domestic mutual funds	<u>6,882,393</u>	<u>6,921,060</u>
Total Fixed Income	44,103,669	44,658,983
Equities:		
Domestic mutual funds	2,263,581	2,003,427
International mutual funds	<u>1,893,980</u>	<u>1,990,542</u>
Total Equities	<u>4,157,561</u>	<u>3,993,969</u>
Total Investments-Agency	<u>55,156,631</u>	<u>55,548,353</u>

8. Fair Value Measurements

FASB Accounting Standards Codification Topic 820, "Fair Value Measurements" requires disclosures that stratify balance sheet amounts measured at fair value based on the inputs used to derive fair value measurements. These strata included:

- Level 1 valuations, where the valuation is based on quoted market prices for identical assets or liabilities traded in active markets (which include exchanges and over-the-counter markets with sufficient volume),

8. Fair Value Measurements (Continued)

- Level 2 valuations, where the valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market, and
- Level 3 valuations, where the valuation is generated from model-based techniques that use significant assumptions not observable in the market, but observable based on Foundation-specific data. These unobservable assumptions reflect the Foundation's own estimates for assumptions that market participants would use in pricing the asset or liability. Valuation techniques typically include option pricing models, discounted cash flow models and similar techniques, but may also include the use of market prices of assets or liabilities that are not directly comparable to the subject asset or liability.

Fair values of assets and liabilities measured on a recurring basis at June 30, 2013 and 2012 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
June 30, 2013:				
Cash and equivalents	4,399,603	1,993,799	-	6,393,402
Fixed Income:				
U.S. government agencies	-	1,862,129	-	1,862,129
Mortgage backed	-	17,408	-	17,408
Municipals	-	5,972,228	-	5,972,228
Corporates	-	5,519,849	-	5,519,849
Domestic mutual funds	8,561,985	1,567,217	-	10,129,202
International mutual funds	1,768,899	-	-	1,768,899
Commingled funds	-	15,557,573	1,395,826	16,953,399
Total Fixed Income	10,330,884	30,496,404	1,395,826	42,223,114
Equities:				
Domestic common stock	14,040,579	-	-	14,040,579
Domestic mutual funds	14,796,760	-	-	14,796,760
International common stock	445,732	-	-	445,732
International mutual funds	8,302,610	-	-	8,302,610
Commingled funds	-	22,076,171	-	22,076,171
Total Equities	37,585,681	22,076,171	-	59,661,852
Alternatives:				
Hedge Funds	500,449	-	3,137,696	3,638,145
Real Estate & Infrastructure	771,875	-	-	771,875
Hard Assets	362,027	-	-	362,027
Total Alternatives	1,634,351	-	3,137,696	4,772,047
Structured investments	-	1,846,887	-	1,846,887
Total Investments	<u>53,950,519</u>	<u>56,413,261</u>	<u>4,533,522</u>	<u>114,897,302</u>
June 30, 2012:				
Cash and equivalents	3,855,433	1,874,788	-	5,730,221
Fixed Income:				
U.S. government agencies	-	2,716,742	-	2,716,742
Mortgage backed	-	33,311	-	33,311
Municipals	-	6,631,370	-	6,631,370
Corporates	-	2,887,838	-	2,887,838

8. Fair Value Measurements (Continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Domestic mutual funds	9,772,817	-	-	9,772,817
International mutual funds	3,516,931	-	-	3,516,931
Commingled funds	-	<u>14,164,124</u>	<u>1,310,258</u>	<u>15,474,382</u>
Total Fixed Income	13,289,748	26,433,385	1,310,258	41,033,391
Equities:				
Domestic common stock	10,549,176	-	-	10,549,176
Domestic mutual funds	14,272,851	-	-	14,272,851
International common stock	162,782	-	-	162,782
International mutual funds	4,147,648	-	-	4,147,648
Commingled funds	-	<u>18,666,474</u>	-	<u>18,666,474</u>
Total Equities	29,132,457	18,666,474	-	47,798,931
Alternatives:				
Hedge Funds	554,831	-	2,898,910	3,453,741
Real Estate & Infrastructure	859,657	-	-	859,657
Hard Assets	<u>389,369</u>	-	-	<u>389,369</u>
Total Alternatives	1,803,857	-	2,898,910	4,702,767
Structured investments	-	<u>3,150,236</u>	-	<u>3,150,236</u>
Total Investments	<u>48,081,495</u>	<u>50,124,883</u>	<u>4,209,168</u>	<u>102,415,546</u>

Fair value of Agency assets and liabilities on a recurring basis at June 30, 2013 and 2012 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and equivalents	6,845,478	49,923	-	6,895,401
Fixed Income:				
U.S. government agencies	-	5,631,998	-	5,631,998
Municipals	-	13,640,860	-	13,640,860
Corporates	-	17,948,418	-	17,948,418
Domestic mutual funds	-	<u>6,882,393</u>	-	<u>6,882,393</u>
Total Fixed Income	-	44,103,669	-	44,103,669
Equities:				
Domestic mutual funds	2,263,581	-	-	2,263,581
International mutual funds	<u>1,893,980</u>	-	-	<u>1,893,980</u>
Total Equities	<u>4,157,561</u>	-	-	<u>4,157,561</u>
Total Investments-Agency	<u>11,003,039</u>	<u>44,153,592</u>	-	<u>55,156,631</u>
Total Liabilities-Agency	<u>(11,003,039)</u>	<u>(44,153,592)</u>	-	<u>(55,156,631)</u>

Investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	<u>Fixed Income Commingled Funds</u>	<u>Hedge Funds</u>	<u>Total</u>
Balance-June 30, 2011	-	-	-
Gains (losses) realized and unrealized	10,258	(1,090)	9,168
Purchases	1,300,000	2,900,000	4,200,000
Sales/Redemptions	-	-	-
Transfers in (out)	-	-	-

8. Fair Value Measurements (Continued)

	Fixed Income Commingled Funds	Hedge Funds	Total
Balance-June 30, 2012	1,310,258	2,898,910	4,209,168
Gains (losses) realized and unrealized	85,568	238,786	324,354
Purchases	-	-	-
Sales/Redemptions	-	-	-
Transfers in (out)	-	-	-
Balance-June 30, 2013	<u>1,395,826</u>	<u>3,137,696</u>	<u>4,533,522</u>

9. Investment in Real Estate

During the fiscal year ended June 30, 2002, the Foundation began purchasing property adjacent to and near the LSU Health Sciences Center Shreveport. The Foundation's intent is to ultimately transfer ownership of this property to the LSU Health Sciences Center Shreveport either by sale or donation. On occasion, the Foundation has also received donations of property. At June 30, 2013 and 2012, the Foundation's investment in real estate consists of:

	<u>2013</u>	<u>2012</u>
Chevy Land property	250,000	250,000
Yokem property	125,000	125,000
Sklar Phillips property	253,425	253,425
Yokem Body Shop property	118,930	118,930
Monsour property	235,238	235,238
Crawford property	79,656	79,656
Kings Highway property	316,587	316,587
Blood Center property	600,000	600,000
1341 Jennings Street	35,896	35,896
1328 Woodrow Street	60,447	60,447
1345 Jennings Street	44,031	44,031
1338 Woodrow	36,989	36,989
3206 Samford Avenue	772,317	772,317
Chicora property	4,000	4,000
Intermodal Transit Facility property, less accumulated depreciation of \$234,223 and \$176,863, respectively, on improvements of \$1,609,160	<u>1,374,936</u>	<u>1,432,297</u>
	<u>4,307,452</u>	<u>4,364,813</u>

During the fiscal year ended June 30, 2012, Foundation Property, LLC donated the Caddo Exceptional School property with a book value of \$510,000 to the LSU Health Sciences Center Shreveport.

The Blood Center property is currently leased by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College. Rental income under noncancellable leases is due as follows:

2014	44,254
2015	44,254
2016	7,376
2017	-
2018	-
	<u>95,884</u>

10. Notes Payable

Notes payable consists of the following at June 30, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Note payable to JPMorgan Chase Bank, original amount of \$510,000, interest at the "Eurodollar Rate," due in consecutive monthly installments of \$4,250, plus interest beginning July 15, 2003 with unpaid principal and interest due in full on June 15, 2008. On February 10, 2006, re-financed \$378,250, interest at a fixed rate 6.85%, due in consecutive monthly installments of \$5,475, including interest beginning February 15, 2006 with unpaid principal and interest due in full on June 15, 2013, unsecured.	-	60,582
Note payable to JPMorgan Chase Bank, original amount of \$276,000, interest at prime rate due in consecutive monthly installments of \$2,836 including interest beginning August 23, 2004 with unpaid principal and interest due in full on July 23, 2009. On February 10, 2006, refinanced \$248,044, interest at a fixed rate 6.85%, due in consecutive monthly installments of \$3,529 including interest beginning February 23, 2006 with unpaid principal and interest due in full on June 15, 2013, unsecured.	-	45,258
Note payable to Regions Bank, original amount of \$600,000, interest at 6.38%, due in consecutive monthly installments of \$8,875 including interest beginning September 17, 2005, with unpaid principal and interest due in full on August 17, 2012. On June 30, 2009, refinanced \$308,857, interest at a fixed rate 5.85%, due in consecutive monthly installments of \$8,164 including interest beginning August 1, 2009 with unpaid principal and interest due in full on January 1, 2013, secured by investment in Blood Center real estate and assignment of real estate leases and rents of the Blood Center real estate.	-	55,998
Note payable to JPMorgan Chase Bank, original amount of \$750,000, interest at a fixed rate 5.00%, due in consecutive monthly installments of \$10,600 including interest beginning March 31, 2011 with principal and interest due in full on March 31, 2018, unsecured.	534,995	624,568
	<u>534,995</u>	<u>786,406</u>

Notes payable maturities are as follows:

<u>Due In</u>	
2014	110,563
2015	107,501
2016	113,001
2017	118,783
2018	85,147
	<u>534,995</u>

10. Notes Payable (Continued)

Included in management and general expense is \$34,502 and \$51,586 in interest expense for the years ended June 30, 2013 and 2012, respectively.

11. Due to LSU Health Shreveport-BOR Match

The amount due to LSU Health Sciences Center Shreveport-BOR Match represents the state match for the following chairs and professorships, which are being held and invested for the Center by the LSU Health Sciences Foundation in Shreveport. The liability consists of the following at June 30:

	<u>2013</u>	<u>2012</u>
John C. McDonald, M.D. Chair in Surgery	547,681	504,603
Jack W. Pou, M.D. Chair in Otolaryngology	566,098	518,992
Albert Sklar Professorship in Surgery	57,093	51,763
E. Earle Dilworth, M.D. Chair in Obstetrics and Gynecology	639,766	584,654
Mary Louise and Ben Levy Professorship in Neurosurgery	51,670	50,274
Paul R. Winder, M.D. Professorship in Dermatology	69,309	63,505
H. Whitney Boggs, Jr., M.D. Professorship of Colon and Rectal Surgery	52,148	51,345
Muslow Chair in Academic Affairs	514,694	465,767
Albert G. and Harriet G. Smith Professorship in Pathology	55,013	49,650
Randy Bryn, M.D. Professorship in Pulmonology	52,109	46,303
W. R. Matthews, M.D. Professorship in Pathology	50,008	45,507
YK Reddy Professorship in Allergy and Immunology	56,247	51,858
Albertson's Distinguished Professorship in Allied Health Sciences	60,359	55,293
Robert E. Wolf, M.D. Professorship in Rheumatology	47,932	43,303
Donald Mack, M.D. Professorship in Pediatric Oncology	56,515	51,579
Donald Smith Chair, Spinal Treatment	446,633	400,000
Edward J. Crawford, Jr., M.D. Professorship in OB/GYN Resident Education	50,734	48,806
Edward J. Crawford, Jr., M.D. Professorship in GYN Surgery	56,358	51,486
Edward J. Crawford, Jr., M.D. Professorship in OB/GYN Resident Recruitment	48,548	44,970
Burdette E. Trichel, M.D. Professorship in Urology	52,895	49,564
Charles D. Knight, Sr. Professorship in General Surgery	49,555	47,439
J. Woodfin Wilson, M.D. Professorship in Internal Medicine	56,493	51,607
Eugene St. Martin Professorship in Urology	52,359	48,038
Edward J. Crawford Professorship in Continuing Education	53,530	48,767
Nathan Professorship in Head & Neck Surgery	51,386	46,529
George Khoury & Donald Mack, M.D. Professorship in Pediatric Oncology	45,794	41,567
Joe E. Holoubek Professorship in Medicine	53,586	48,783
Thomas Norris, M.D. Professorship in Orthopedic Resident Support	45,372	41,061
E. Earle Dilworth, M.D. Professorship in OB/GYN Excellence	45,099	40,788
Mrunalini Shah and Bipin, M. D. Professorship in Anesthesiology Education	45,998	41,633
James A. Ardoin, M.D. Professorship in OB/GYN	46,077	41,667
Brad and Kay McPherson Professorship in Child Psychiatry	47,950	43,311
George Khoury and Donald Mack, M.D. Professorship for the St. Jude Clinic	45,483	40,926
Selber-Levin Professorship in Endocrinology	51,369	46,557

11. Due to LSU Health Shreveport-BOR Match (Continued)

	<u>2013</u>	<u>2012</u>
Edward J. Crawford, Jr., M.D. Professorship in OB/GYN Resident Education	47,941	43,298
Edward J. Crawford, Jr., M.D. Professorship in OB/GYN Faculty Recruitment	47,940	43,298
Edward J. Crawford, Jr., M.D. Professorship in OB/GYN Oncology Education	47,940	43,297
Edward Jr. Crawford, Jr., M.D. Professorship in OB/GYN Reproductive Endocrinology	47,941	43,298
Edward J. Crawford, Jr., M.D. Professorship in OB/GYN Faculty Enhancement	47,695	43,265
Edward Jr. Crawford, Jr., M.D. Professorship in OB/GYN Technology Enhancement	47,940	43,297
Juneau Chair in Transplantation Surgery	566,683	514,400
Stafford and Marianne Comegys Professorship in Medical Library Science	55,981	50,738
Mary Louise and Jack R. Cassingham Professorship in Forensic Pathology	40,000	-
Edward and Freda Green Professorship in Oral and Maxillofacial Surgery	44,663	40,000
Edward and Freda Green Professorship in Surgical Oncology	40,000	-
Scott and Larene Woodard Professorship in Neurosurgery	80,000	-
Dr. George and Sandra Bakowski Foundation Professorship in Aero-Digestive Malignancies	44,663	40,000
Diana and John Herbst Professorship in Pediatric Gastroenterology	40,000	-
Carroll W. Feist Chair for the Study of Cancer	1,159,368	1,051,227
Nancy Jane Sentell Seale Professorship in Cancer Palliative Care	40,000	-
Dr. Ming Yu Ding Memorial Professorship in Microbiology	45,583	41,005
Archibald Bell Nelson Professorship in Orthopaedics	82,536	75,668
Joanna Gunning Magale Professorship in Neurology	62,252	57,666
Jack W. Gamble, M.D. Chair in Oral/Maxillofacial Surgery	<u>592,510</u>	<u>557,617</u>
	<u>7,403,497</u>	<u>6,545,969</u>

12. Temporarily Restricted Net Assets

Temporarily restricted net assets consisted of the following as of June 30, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Board-designated endowments:		
CFeist Legacy	64,771,871	58,116,792
Feist-Weiller Investment Account	12,243,839	11,500,160
Feist Investment Spending	791,822	518,077
CFeist Legacy Spending	<u>609,878</u>	<u>185,873</u>
Total Board-designated endowments	78,417,410	70,320,902
Other:		
Feist-Weiller Cancer Center	295,884	425,579
LSUMC Alumni Association	175,418	188,011
Otolaryngology Flexible Spending	369,195	441,964

12. Temporarily Restricted Net Assets (Continued)

	<u>2013</u>	<u>2012</u>
Feist-Chancellor Fund	289,602	289,602
Continuing Medical Education	166,946	185,756
Chancellor's Discretionary Fund	980,400	980,000
Neurosurgery/Nanda/Research	320,918	331,610
Pediatrics Kohl's Cares for Kids	145,764	100,020
John C. McDonald Chair Spending	158,071	126,511
Jack W. Pou, M.D. Chair in Otolaryngology Spending	343,344	307,218
E. Earle Dilworth, M.D. Chair in Obstetrics and Gynecology Spending	424,164	377,404
Carroll W. Feist Chair for the Study of Cancer Spending	405,252	312,898
Jack W. Gamble M.D. Chair in Oral/Maxillofacial Surgery Spending	223,575	226,053
Donnie and Gail Juneau Chair in Transplantation	127,084	81,263
SAHP Communication Disorders	103,480	97,174
Childrens Hospital Refurbishing Fund	105,183	88,317
Trauma Center Fund	346,093	-
Other (individual fund balance \leq 100,000)	<u>3,188,871</u>	<u>2,925,523</u>
Total other	<u>8,169,244</u>	<u>7,484,903</u>
Total temporarily restricted net assets	<u>86,586,654</u>	<u>77,805,805</u>

Board designated endowments are restricted by donor and accounted for as endowments by the Board.

13. Permanently Restricted Net Assets

Permanently restricted net assets consisted of the following at June 30, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
John C. McDonald, M.D. Chair in Surgery	824,664	763,582
Jack W. Pou, M.D. Chair in Otolaryngology	752,772	702,221
E. Earle Dilworth, M.D. Chair in Obstetrics and Gynecology	744,491	696,171
Muslow Endowed Chair in Academic Affairs	708,794	663,501
Gail and Donnie Juneau Chair in Transplantation	773,449	722,541
Carroll W. Feist Chair for the Study of Cancer	1,495,977	1,398,708
Jack W. Gamble, M.D. Chair in Oral/Maxillofacial Surgery	750,166	701,616
Smith Chair of Spinal Treatment	757,743	678,628
Scotty and Larene Woodard Professorship in Neurosurgery	236,911	201,562
Comegys Library Endowment	424,727	393,328
Urology/Womack Endowment	210,233	195,048
Psychiatry/Frost Endowment	956,665	886,352
Dr. Y. S. Goel Student Scholarship	150,999	139,792
Anil Nanda Neurosurgery Endowment	175,432	200,117
Paul D. Abramson Fund	187,583	168,623
Other (individual fund balance \leq 100,000)	<u>2,961,966</u>	<u>2,794,454</u>
Total permanently restricted net assets	<u>12,112,572</u>	<u>11,306,244</u>

14. Endowed Net Assets

The Foundation has established prudent investment and spending policies with the objective of maintaining the purchasing power of its endowed assets in perpetuity and to provide a stable level of support to the beneficiaries. To achieve this objective, the Foundation's asset allocation strategy is reviewed periodically and adjusted to target a total return that covers inflation, administrative expenses, and spending allocations, while minimizing volatility.

Certain endowed funds are provided by the State of Louisiana as a match to qualifying private endowed contributions and are managed under agreement with the Center for the Center's benefit. These endowed assets are further subject to the investment and spending policies established by the Louisiana Board of Regents, which has statutory authority to administer the matching funds program.

A spending rate is determined by the Foundation's Board of Directors, with consideration given to market conditions, the spending levels of peer institutions, and historical returns. The objective is to provide relatively stable spending allocations. The spending rate approved by the Board for the fiscal years ended June 30, 2013 and 2012 was 4.00%.

Effective July 1, 2010, the Louisiana legislature enacted Act No. 168 ("Act") to implement the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as the standard for the management and investment of institutional funds in Louisiana. The Act permits an institution to appropriate for expenditure or accumulate so much of an endowment fund as the institution determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund was established, subject to the intent of the donor as expressed in the gift instrument.

The Louisiana Board of Regents spending policy states that annual spending must be determined in accordance with UPMIFA. However, the market value of each endowment at the end of the most recent fiscal trust fund year must exceed the original corpus of the endowment by an amount at least equal to the amount to be spent in the next fiscal trust fund year for which a spending allocation is to be made.

The Foundation classifies as permanently restricted net assets the original value of gifts donated for permanent endowment, any subsequent gifts to such endowments, and accumulations subsequently made at the direction of the applicable donor instrument.

Changes in endowment net assets for fiscal year ended June 30, 2013:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, June 30, 2012	-	72,328,393	11,306,244	83,634,637
Contributions	-	3,217,973	120,500	3,338,473
Income on investments	-	1,837,034	286,696	2,123,730
Net depreciation	-	7,214,933	1,108,416	8,323,349
Other expenditures for facilities and programs	-	(3,009,972)	-	(3,009,972)
Administrative expenses	-	(1,294,480)	(119,367)	(1,413,847)
Transfers for spending	-	589,917	(589,917)	-
Endowment net assets, June 30, 2013	-	80,883,798	12,112,572	92,996,370

14. Endowed Net Assets (Continued)

Endowment fund net asset composition as of June 30, 2013:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment	-	2,466,388	12,112,572	14,578,960
Board-designated endowment	-	78,417,410	-	78,417,410
	<u>-</u>	<u>80,883,798</u>	<u>12,112,572</u>	<u>92,996,370</u>

Changes in endowment net assets for fiscal year ended June 30, 2012:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, June 30, 2011	-	72,046,684	11,400,519	83,447,203
Contributions	-	2,359,613	527,508	2,887,121
Income on investments	-	1,679,323	230,850	1,910,173
Net depreciation	-	(955,898)	(127,896)	(1,083,794)
Other expenditures for facilities and programs	-	(1,646,485)	-	(1,646,485)
Administrative expenses	-	(1,212,783)	(116,798)	(1,329,581)
Transfers for spending	-	607,939	(607,939)	-
Transfer to fund for otolaryngology and micro biology commitments	-	(550,000)	-	(550,000)
Endowment net assets, June 30, 2012	<u>-</u>	<u>72,328,393</u>	<u>11,306,244</u>	<u>83,634,637</u>

Endowment fund net asset composition as of June 30, 2012:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment	-	2,007,491	11,306,244	13,313,735
Board-designated endowment	-	70,320,902	-	70,320,902
	<u>-</u>	<u>72,328,393</u>	<u>11,306,244</u>	<u>83,634,637</u>

15. Operating Leases

The Foundation leases office space under an operating lease which expires on February 28, 2014. In addition, the Foundation leases a copier/printer/scanner under an operating lease which expires on September 30, 2014. Future minimum lease requirements are as follows:

2014	32,690
2015	896
2016	-
2017	-
2018	-
	<u>33,586</u>

Included in management and general expense is \$49,926 and \$49,639 in rent and equipment rental expense for the years ended June 30, 2013 and 2012, respectively.

16. Commitments

During the fiscal year ended June 30, 2010, the Foundation was asked by the Chancellor of the Center to consider an infusion of funds into the Orthopaedic Surgery Department in order to rebuild the program. The Board of Directors voted and approved to donate a total of \$2.5 million of unrestricted funds in five \$500,000 annual installments to begin during the fiscal year ending June 30, 2011. As of June 30, 2013, the Foundation has segregated \$1.5 million of unrestricted funds for the Orthopaedic Surgery Department. The balance of the segregated funds as of June 30, 2013, is \$1,314,808 which is classified as unrestricted board designated net assets.

During the fiscal year ended June 30, 2011, the Foundation was asked by the Chancellor of the Center to consider an infusion into the Otolaryngology Department for growth of the department. The Board of Directors voted and approved to donate up to \$2.5 million over the next five years. The first year's funding allocation of \$500,000 came from the Feist-Weiller Investment account, with the remainder from the Feist Legacy account going forward. As of June 30, 2013, the Foundation segregated \$500,000 for the Otolaryngology Department, of which \$369,195 remained as of June 30, 2013 and is included as temporarily restricted net assets.

On July 15, 2009, the Board of Directors approved an Operating Reserve Policy to establish guidelines for achieving an operating reserve sufficient for the Foundation to adequately support its annual budget, ensure continued growth of current and future programs, fulfill its mission even during times of harsh economic conditions, and provide financial stability and the means for the development of its principal activity. The policy states that the operating reserve of \$1 million shall be established beginning in fiscal year ending June 30, 2011 and shall be fully funded by the end of the fiscal year ending June 30, 2016 through designation of unrestricted funds given to the Foundation. The reserve shall be invested in highly liquid United States Treasury obligations or FDIC insured accounts and may be used only for unanticipated and unbudgeted expenses or loss of revenue. Reserves may not be accessed in the absence of a plan for their replenishment over a reasonable period of time. On October 19, 2011, the Executive Committee of the Board of Directors voted to fully fund the Operating Reserve of \$1 million from unrestricted funds of the Foundation rather than partially funding the reserve between the remaining fiscal years ending June 30, 2012 through June 30, 2016.

17. Subsequent Events

In accordance with FASB Accounting Standards Codification Topic 740 "Subsequent Events," the Foundation evaluated events and transactions that occurred after the statement of financial position date but before the financial statements were made available for issuance for potential recognition or disclosure in the financial statements. The Foundation evaluated such events through August 30, 2013, and noted the following subsequent event.

As of June 30, 2013 and 2012, investments were held by multiple financial institutions. In July 2013, the Foundation changed to one investment manager, Vanguard Institutional Advisory Services (Vanguard), for the majority of all investments. As a result, the process began in July 2013 to liquidate the investments held by the prior financial institutions, which were then reinvested by Vanguard. As of August 30, 2013, approximately \$163.0 million had been transferred to Vanguard, with approximately \$2.0 million remaining to be transferred within a few months.

OTHER FINANCIAL INFORMATION

LSU HEALTH SCIENCES FOUNDATION IN SHREVEPORT AND SUBSIDIARIES

CONSOLIDATED SCHEDULES OF MANAGEMENT AND GENERAL EXPENSES

FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Salary expense	598,118	532,585
Payroll taxes	43,887	37,897
Employee benefit expense	48,934	43,635
LSU President search	36,425	-
Contractual services	4,778	2,841
Investment fees	112,975	91,405
Professional services	209,042	205,564
Insurance	82,329	84,673
Bank charges	7,421	8,103
Depreciation	72,922	72,729
Office supplies	15,087	12,641
Postage	9,531	13,414
Telephone expense	8,350	8,588
Maintenance agreements	11,981	13,292
Books and subscriptions	1,015	679
Rent	45,571	45,644
Equipment rental	4,355	3,995
Repairs and maintenance	28,755	30,238
Travel	5,515	2,960
Meals and entertainment	16,686	11,121
Advertising and promotional expenses	1,875	3,244
Printing	36,959	38,179
Gifts and acknowledgments	3,842	1,551
Professional development	3,051	8,301
Dues and licenses	7,130	6,645
Fundraising event	119,351	115,532
Interest expense	34,501	51,586
Utilities	2,873	8,608
Taxes	940	4,373
Environmental clean-up	1,040	74,249
Miscellaneous	<u>1,818</u>	<u>5,645</u>
Total management and general expenses	<u>1,577,057</u>	<u>1,539,917</u>

LSU HEALTH SCIENCES FOUNDATION IN SHREVEPORT AND SUBSIDIARIES

CONSOLIDATED SCHEDULES OF LSU HEALTH SCIENCES CENTER SUPPORT

SPECIFIED BY DONORS FOR OTHER DEPARTMENTS

FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Academic affairs	8,911	13,299
Admissions	5	-
Allied Health	15,756	20,389
Alumni affairs	73,320	55,165
Anesthesiology	3,099	13,417
Biochemistry	331	294
Cardiology	2,793	3,144
Cardiopulmonary	-	181
Cellular biology and anatomy	3,800	622
Chancellor	57,310	106,023
Continuing medical education	20,991	53,479
Dermatology	873	901
E. A. Conway	25	235
Emergency medicine	8,942	7,498
Endocrinology	1,080	1,045
Family medicine	(1,307)	20,710
Foundation	5,408	5,414
Health sciences library	47,726	13,287
Human resource management	7,192	4,440
Internal medicine	1,922	825
Microbiology	14,944	32,260
Nephrology	4,542	3,067
Neurology	12,583	29,321
Neurosurgery	47,464	46,093
Nursing administration	284	436
OB/GYN	21,722	25,489
Oral/maxillofacial	101,582	91,039
Ortho surgery	48,170	38,571
Orthopaedics	5,108	27,804
Otolaryngology	99,113	75,621
Pathology	15,429	23,494
Pediatrics	273,178	115,065
Pharmacology	7,651	24,580
Physiology	12,346	14,273
Psychiatry	20,958	21,952
Pulmonary	6,064	4,274
Radiology	8,002	9,940
Rheumatology	3,371	20,113

LSU HEALTH SCIENCES FOUNDATION IN SHREVEPORT AND SUBSIDIARIES

CONSOLIDATED SCHEDULES OF LSU HEALTH SCIENCES CENTER SUPPORT

SPECIFIED BY DONORS FOR OTHER DEPARTMENTS

FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Social services	1,553	2,245
Student affairs	1,064	1,074
Surgery	97,599	100,247
Urology	<u>7,567</u>	<u>14,092</u>
Total	<u>1,068,471</u>	<u>1,041,418</u>

SUPPLEMENTARY INFORMATION

END OF THE YEAR REPORTING PACKET

REQUIRED BY THE STATE OF LOUISIANA,
DIVISION OF ADMINISTRATION,
OFFICE OF STATEWIDE REPORTING

HEARD, McELROY, & VESTAL

L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

333 TEXAS STREET, SUITE 1525
SHREVEPORT, LOUISIANA 71101
318-429-1525 PHONE • 318-429-2070 FAX

August 30, 2013

The Board of Directors
LSU Health Sciences Foundation in Shreveport
Shreveport, Louisiana

Independent Auditor's Report on Supplementary Information

We have audited the consolidated financial statements of the LSU Health Sciences Foundation in Shreveport and Subsidiaries, as of and for the year ended June 30, 2013, and our report thereon dated August 30, 2013, which expressed an unmodified opinion on those financial statements, appears on Page 1. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole.

The End of the Year Reporting Packet is presented for purposes of additional analysis and is not a required part of the consolidated financial statements but is supplementary information required by the State of Louisiana, Division of Administration, Office of Statewide Reporting and Policy (OSRAP). Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Heard, McElroy & Vestal, LLC

Shreveport, Louisiana

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FOUNDATIONS OF THE LSU SYSTEM

**STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2013**

	LSU HSC Foundation Shreveport
ASSETS	
Current Assets:	
Cash and cash equivalents	\$1,861,564
Investments	5,727,447
Derivative instrument (Asset)	
Accounts receivable, net	458,953
Pledges Receivable	28,300
Due from State Treasury	
Due from federal government	
Deferred charges and prepaid expenses	
Notes Receivable	
Other current assets	
Total current assets	<u>8,076,264</u>
Noncurrent Assets:	
Restricted assets:	
Cash and cash equivalents	3,579,822
Investments	161,023,929
Other	
Investments	
Pledges Receivable	
Notes receivable	
Property and equipment, net	4,325,530
Intangible assets	
Other noncurrent assets	22,428
Total noncurrent assets	<u>168,951,709</u>
Total assets	<u><u>177,027,973</u></u>
Deferred Outflows of Resources	
Accumulated decrease in fair value of hedging derivatives	
Total assets and deferred outflow of resources	<u><u>177,027,973</u></u>
LIABILITIES	
Current Liabilities:	
Accounts payable and accrued liabilities	2,077,294
Derivative instrument liability	
Deferred revenues	
Due to state treasury	
Amounts held in custody for others	62,560,128
Other liabilities	
Current portion of long-term debt:	
Compensated absences payable	
Capital Lease obligations	
Claims and litigation payable	
Notes payable	110,563
Contracts payable	
Reimbursement contracts payable	
Bonds payable	
Other liabilities	
Total current liabilities	<u>64,747,985</u>
Long-Term Portion of Noncurrent Liabilities:	
Compensated absences payable	
Capital Lease obligations	
Claims and litigation payable	
Notes payable	424,432
Contracts payable	
Reimbursement contracts payable	
Bonds payable	
Other liabilities	
Total noncurrent liabilities	<u>424,432</u>
Total liabilities	<u><u>65,172,417</u></u>
Deferred Inflows of Resources	
Accumulated increase in fair value of hedging derivatives	
Deferred service concession arrangement receipts	
Total deferred inflows of resources	
NET POSITION	
Net investment in capital assets	3,790,535
Restricted:	
Nonexpendable	12,112,572
Expendable	86,586,654
Unrestricted	9,365,795
Total net Position	<u><u>111,855,556</u></u>
Total liabilities, deferred inflows of resources, and net position	<u><u>177,027,973</u></u>

FOUNDATIONS OF THE LSU SYSTEM

Statement of Revenues, Expenses, and Changes in Net Position For the Year Ended June 30, 2013

LSU HSC Foundation Shreveport

OPERATING REVENUES

Student tuition and fees	
Less scholarship allowances	
Net student tuition and fees	<hr/>
	-
Gifts received by foundations	5,315,323
Endowment income	10,447,079
Federal appropriations	
Federal grants and contracts	
State and local grants and contracts	
Nongovernmental grants and contracts	
Sales and services of educational departments	
Hospital income	
Auxiliary enterprise revenues (including revenues pledged to secure debt)	
Less scholarship allowances	
Net auxiliary revenues	<hr/>
	-
Other operating revenues	2,158,631
Total operating revenues	<hr/> 17,921,033 <hr/>

OPERATING EXPENSES

Educational and general:	
Instruction	
Research	
Public service	
Academic support	
Student services	
Institutional support	
Operation and maintenance of plant	
Scholarships and fellowships	
Auxiliary enterprises	
Hospital	
Other operating expenses	1,542,556
Total operating expenses	<hr/> 1,542,556 <hr/>

Operating Income (Loss)	<hr/> 16,378,477 <hr/>
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NONOPERATING REVENUES (Expenses)

State appropriations	
Gifts	
Federal nonoperating revenues (expenses)	
ARRA Revenues	
Net investment income (loss)	554,242
Interest expense	(34,501)
Payment to on on behalf of university	(7,408,939)
Other nonoperating revenues (expenses)	
Net nonoperating revenues	<u>(6,889,198)</u>
Income Before Other Revenues, Expenses, Gains, and Losses	9,489,279
Capital appropriations	
Capital gifts and grants	
Additions to permanent endowments	120,500
Other additions, net	
Increase in Net Position	<u>9,609,779</u>
Net Position at Beginning of Year	<u>102,245,777</u>
Net Position at End of Year	<u><u>111,855,556</u></u>

FOUNDATIONS OF THE LSU SYSTEM

Statement of Activities (GASB) For the Year Ended June 30, 2013

LSU HSC Foundation Shreveport

Expenses	Charges for Services	Operating grants and contributions	Capital grants and contributions	Net (expense) revenue and change in net position
(8,985,996)	-	4,849,317	-	(4,136,679)

General Revenues:

State Appropriations	-
Grants and contributions not restricted to specific programs	586,506
Interest	11,001,321
Miscellaneous	2,158,631
Special items	-
Total general revenues and special items	13,746,458
Change in net position	9,609,779
Net position , beginning of year	102,245,777
Net position, end of year	111,855,556

FOUNDATIONS OF THE LSU SYSTEM

Statement of Activities - FASB format For the Year Ended June 30, 2013

	LSU HSC Foundation Shreveport
Changes in unrestricted net assets:	
Contributions	\$586,506
Investment earnings (loss), net	554,242
Grants and contracts	
Service fees	2,091,788
Other revenues	66,843
Total unrestricted revenues	<u>\$3,299,379</u>
Net assets released from restrictions:	
Reclassification in net assets due to change in law	-
Satisfaction of program expenses	5,709,219
Total unrestricted revenues and other support	<u>\$9,008,598</u>
 Expenses:	
Amounts paid to benefit Louisiana State University for:	
Projects specified by donors	5,786,246
Projects specified by the Board of Directors	1,622,693
Other:	
Grants and contracts	
Property operations	150,438
Other	36,425
Total program expenses	<u>7,595,802</u>
 Supporting services:	
Salaries and benefits	690,939
Occupancy	45,571
Office operations	55,097
Travel	5,515
Professional services	329,438
Dues and subscriptions	7,130
Meetings and development	62,413
Depreciation	72,922
Other	1,818
Total supporting services	<u>1,270,843</u>
 Fund-raising expenses	<u>119,351</u>
 Total expenses	<u>8,985,996</u>

Increase (decrease) in unrestricted net assets	<u>\$22,602</u>
Changes in temporarily restricted net assets:	
Contributions	\$4,728,817
Investment earnings	9,051,967
Changes in value of split interest agreements	
Other	
Total temporarily restricted revenues	<u>\$13,780,784</u>
Net assets released from restrictions:	
Reclassification in net assets due to change in law	
Satisfaction of program expenses	<u>(4,999,935)</u>
Increase in temporarily restricted net assets	<u>\$8,780,849</u>
Changes in permanently restricted net assets:	
Contributions	120,500
Investment earnings	1,395,112
Other	-
Net assets released from donor restrictions	<u>(709,284)</u>
Increase (decrease) in permanently restricted net assets	<u>806,328</u>
Increase (decrease) in net assets	9,609,779
Net assets at beginning of year	<u>102,245,777</u>
Net assets at end of year	<u><u>111,855,556</u></u>

Note A. 15 Component Units

This year, the LSU Foundation, the Tiger Athletic Foundation, LSU HSC Foundation New Orleans and LSU HSC Foundation Shreveport qualify to be discretely presented.

Each component unit should provide the following:

Note A. 15 Component Units - Discrete

1. A brief description of the component unit including its relationship to the University; a discussion of the criteria for including it; how it is reported, and the nature and amount of significant transactions between the university and the component unit.

The LSU HSC Foundation Shreveport is a legally separate, tax-exempt organization supporting the LSU System, specifically the following campus: LSUHSC Shreveport. This foundation was included in the university's financial statements because its assets equaled 3% or more of the assets of the university system it supports.

During the year ended June 30, 2013, the LSU HSC Foundation Shreveport made distributions to or on behalf of the university for both restricted and unrestricted purposes in the amount of : \$7,408,939

Complete financial statements for the LSU HSC Foundation Shreveport can be obtained from:

920 Pierremont, Suite 407, Shreveport, LA 71106
(mailing address)

or from the foundation's website at:

lsuhscfoundation.org

The LSU HSC Foundation Shreveport is a nonprofit organization that reports under Financial Accounting Standards Board (FASB) standards, including the FASB Accounting Standards Codification Section 958, *Not-for-Profit Entities*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. With the exception of necessary presentation adjustments, no modifications have been made to the foundation's financial information in the university's financial report for these differences.

Note C. 2 Investments and Custodial Credit Risk

The LSU System does\does not (please indicate) maintain investment accounts as authorized by the investment policy approved by the LSU Board of Supervisors.

Important notes and instructions:

A. Please list all investments and their reported fair values on this sheet. The total of Column G should tie-into the SNP.

<u>Type of Investment</u>	<u>Fair Value</u>
Money market/certificates of deposit	\$ 2,958,439
Debt obligations	7,399,386
Corporate stocks, common stocks, and index mutual funds	14,848,338
Shaw Center for the Arts, LLC	
Royalty interest	
Mutual funds	35,901,753
LSU Foundation investment pool	-
Charitable gift annuity	
Short-term investments	
Private equity	
Hedge funds	3,638,145
Venture capital	
Municipal bonds	5,972,228
Commingled funds	39,029,570
Structured investments	1,846,887
Other: (please describe)	-
Agency investments for LSUHSC Shreveport	55,156,631
Total investments	\$ 166,751,377

Schedule of Capital Assets (includes capital leases)

<u>Component Unit(s)</u>	<u>Balance</u> <u>6/30/2012</u>	<u>Prior Period</u> <u>Adjustments</u>	<u>Restated</u> <u>Balance</u> <u>6/30/2012</u>	<u>Additions</u>	<u>* Reclassifications</u> <u>of CIP</u>	<u>** Retirements</u>	<u>Balance</u> <u>6/30/2013</u>
Capital assets not depreciated:							
Land	\$ 2,932,516	\$ -	\$ 2,932,516	\$ -	\$ -	\$ -	\$ 2,932,516
Non-depreciable land improvements	-	-	-	-	-	-	-
Non-depreciable easements	-	-	-	-	-	-	-
Capitalized collections	-	-	-	-	-	-	-
Livestock	-	-	-	-	-	-	-
Software - development in progress	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-
Total capital assets not depreciated	\$ 2,932,516	\$ -	\$ 2,932,516	\$ -	\$ -	\$ -	\$ 2,932,516
Other capital assets:							
Infrastructure	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
** Accumulated depreciation	-	-	-	-	-	-	-
Total infrastructure	-	-	-	-	-	-	-
Depreciable land improvements	1,609,160	-	1,609,160	-	-	-	1,609,160
** Accumulated depreciation	(176,863)	-	(176,863)	(57,360)	-	-	(234,223)
Total land improvements	1,432,297	-	1,432,297	(57,360)	-	-	1,374,937
Buildings	-	-	-	-	-	-	-
** Accumulated depreciation	-	-	-	-	-	-	-
Total buildings	-	-	-	-	-	-	-
Equipment (including library books)	93,890	-	93,890	-	-	-	93,890
** Accumulated depreciation	(60,251)	-	(60,251)	(15,562)	-	-	(75,813)
Total equipment	33,639	-	33,639	(15,562)	-	-	18,077
Software (internally generated & purchased)	-	-	-	-	-	-	-
Other intangibles	-	-	-	-	-	-	-
** Accumulated amortization - software	-	-	-	-	-	-	-
** Accumulated amortization - other intangibles	-	-	-	-	-	-	-
Total intangibles	-	-	-	-	-	-	-
Total other capital assets	\$ 1,465,936	\$ -	\$ 1,465,936	\$ (72,922)	\$ -	\$ -	\$ 1,393,014
Capital asset summary:							
Capital assets not depreciated	\$ 2,932,516	\$ -	\$ 2,932,516	\$ -	\$ -	\$ -	\$ 2,932,516
Other capital assets, book value	1,703,050	-	1,703,050	-	-	-	1,703,050
Total cost of capital assets	4,635,566	-	4,635,566	-	-	-	4,635,566
Accumulated depreciation/amortization	(237,114)	-	(237,114)	(72,922)	-	-	(310,036)
Capital assets, net	\$ 4,398,452	\$ -	\$ 4,398,452	\$ (72,922)	\$ -	\$ -	\$ 4,325,530

* Should only be used for those completed projects coming out of construction-in-progress to fixed assets.

** Enter a negative number except for accumulated depreciation in the retirement column

Recap of Adjustments to Beginning Balance of Capital Assets
(includes capital leases)

University/System	Component Unit(s)			Total by Category		
	Adjustments to AFR after OSRAP	Restate-ments	Adjustments to AFR after OSRAP	Restate-ments	Adjustments to AFR after OSRAP	Total Prior Year Adjustments
Capital assets not depreciated:						
Land	\$	\$	\$	\$	\$	\$
Non-depreciable land improvements						
Non-depreciable easements						
Capitalized collections						
Livestock						
Software - development in progress						
Construction in progress						
Total capital assets not depreciated	\$	\$	\$	\$	\$	\$
Other capital assets:						
Infrastructure	\$	\$	\$	\$	\$	\$
* Accumulated depreciation						
Total infrastructure						
Depreciable land improvements						
* Accumulated depreciation						
Total land improvements						
Buildings						
* Accumulated depreciation						
Total buildings						
Equipment (including library books)						
* Accumulated depreciation						
Total equipment						
Software (internally generated & purchased)						
Other intangibles						
* Accumulated amortization - software						
* Accumulated amortization - other intangibles						
Total intangibles						
Total other capital assets	\$	\$	\$	\$	\$	\$
Capital asset summary:						
Capital assets not depreciated	\$	\$	\$	\$	\$	\$
Other capital assets, book value						
Accumulated depreciation/amortization						
Capital assets, net	\$	\$	\$	\$	\$	\$

* Formulas are set for depreciation/amortization presented as a negative number. Check formulas to ensure correct totals.

Note 1. Bonds & notes payable & capital leases.

Campuses and component units complete the appropriate section.

grey cells populate automatically

The following is a summary of bond reimbursement contracts and other long-term debt transactions of the university for the year ended June 30, 2013: (The column "Balance at June 30, 2012" is the total amount of debt for that line item. The noncurrent portion is not listed separately, but can be determined by subtracting "Amounts due within one year" from "Balance at June 30, 2013.")

Component Units	Balance at June 30 2012	Additions	(enter as negative #) Reductions	Balance at June 30, 2013	Amounts due within one year
Notes & bonds payable:					
Notes payable	\$ 786,406	\$ -	251,411	\$ 534,995	\$ 110,563
Bonds payable	-	-	-	-	-
Total bonds and notes payable	786,406	-	251,411	534,995	110,563
Other liabilities:					
Compensated absences payable	-	-	-	-	-
Capital lease obligations	-	-	-	-	-
Claims and litigation payable	-	-	-	-	-
Pollution remediation obligations	-	-	-	-	-
Contracts payable	-	-	-	-	-
Reimbursement contracts payable	-	-	-	-	-
OPEB Payable	-	-	-	-	-
Other liabilities	-	-	-	-	-
Total other liabilities	-	-	-	-	-
Total long-term liabilities	786,406	-	251,411	534,995	110,563

(Send OSRAP a copy of the amortization schedule for any new debt issued.)

Note N. Related Party Transactions

List all related party transactions below.

	Name of Individual	Describe Relationship	Describe Related Party Transaction	Dollar amount of Transaction	Amounts Due to/ Due from that resulted from related party transaction
1	N/A. None identified				
2					
3					
4					

Note P. Capital Leases

Campuses and component units complete the appropriate section.

Does your campus record items under capital leases as an asset and an obligation in the accompanying financial statements? Yes / No
N/A

Report all capital leases (including LA Equipment Acquisition Fund [LEAF] leases) in effect as of 6/30/2013.

UNIVERSITY SYSTEM CAPITAL LEASES

Nature of lease	Date of lease	Gross amount of leased assets (historical cost)	Last payment date	Remaining interest to end of lease	Remaining principal to end of lease
a. Office space		\$		\$	\$
b. Buildings					
c. Equipment					
d. Land					
e. Other					
Total assets under cap. lease		\$		\$	\$

N/A. This schedule is not applicable to LSU HSC Foundation Shreveport

COMPONENT UNIT CAPITAL LEASES

Nature of lease	Date of lease	Gross amount of leased assets (historical cost)	Last payment date	Remaining interest to end of lease	Remaining principal to end of lease
a. Office space		\$		\$	\$
b. Buildings					
c. Equipment					
d. Land					
e. Other					
Total assets under cap. lease		\$		\$	\$

Note P. Lease Payments under Capital Leases

Campuses and component units complete the appropriate column

N/A. This schedule is not applicable to LSU HSC Foundation Shreveport
--

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of June 30, 2013.

<u>Year ending June 30:</u>	<u>Future minimum lease payment:</u>		<u>Total:</u>
	<u>University/System</u>	<u>Component Units:</u>	
2014	\$ _____	\$ _____	\$ _____ -
2015	_____	_____	_____ -
2016	_____	_____	_____ -
2017	_____	_____	_____ -
2018	_____	_____	_____ -
2019-2023	_____	_____	_____ -
2024-2028	_____	_____	_____ -
2029-2033	_____	_____	_____ -
2034-2038	_____	_____	_____ -
2039-2043	_____	_____	_____ -
	_____	_____	_____ -
	_____	_____	_____ -
	_____	_____	_____ -
	_____	_____	_____ -
	_____	_____	_____ -
Total minimum lease payments	_____ -	_____ -	_____ -
Less: amounts representing executory costs	_____	_____	_____ -
Net minimum lease payments	_____ -	_____ -	_____ -
Less: amounts representing interest	_____	_____	_____ -
Present value - net minimum lease payments	_____ -	_____ -	_____ -

Note: If lease payments extend past FY2043 create additional rows and report these future minimum lease payments in five year increments. I've added three rows for you just in case you need them. You may need to add more.

Note P. Lessor Direct Financing Leases

Campuses and component units complete the appropriate section

N/A. This schedule is not applicable to LSU HSC Foundation Shreveport

The following lists the components of the net investment in direct financing leases as of June 30, 2013:

University/System Composition of lease	Date of lease	Minimum lease payment receivable	Remaining interest to end of lease	Remaining principal to end of lease
a. Office Space		\$	\$	\$
b. Building				
c. Equipment				
d. Land				
e. Other				
Less amounts representing executory costs	()	()
Minimum lease payment receivable	-	-	-	-
Less allowance for doubtful accounts	()	()
Net minimum lease payments receivable	-	-	-	-
Estimated residual values of leased property				
Less unearned income	()	()
Net investment in direct financing leases	\$	\$	\$	\$

Component Unit(s) Composition of lease	Date of lease	Minimum lease payment receivable	Remaining interest to end of lease	Remaining principal to end of lease
a. Office Space		\$	\$	\$
b. Building				
c. Equipment				
d. Land				
e. Other				
Less amounts representing executory costs	()	()
Minimum lease payment receivable	-	-	-	-
Less allowance for doubtful accounts	()	()
Net minimum lease payments receivable	-	-	-	-
Estimated residual values of leased property				
Less unearned income	()	()
Net investment in direct financing leases	\$	\$	\$	\$

Both Campus and Component Unit complete below if appropriate.

Minimum lease payments do not include contingent rentals, which may be received as stipulated in the lease contracts. Contingent rental payments occur if, for example, the use of the equipment, land, or building etc., exceeds a certain level of activity each year. Contingent rentals received for fiscal year 2012 were:

_____ for office space
 _____ for buildings
 _____ for equipment
 _____ for land
 _____ for other

Note P. Future Minimum Lease Receivables - With Lessor Direct Financing Leases

Campuses and component units complete the appropriate column

N/A. This schedule is not applicable to LSU HSC Foundation Shreveport

The following is a schedule by years of minimum lease receivable for the remaining fiscal years of the lease as of June 30, 2013:

Year ending _____:	Future minimum lease receivables:		
	University/System	Component Unit(s)	Total
2014	\$ _____	\$ _____	\$ -
2015	_____	_____	-
2016	_____	_____	-
2017	_____	_____	-
2018	_____	_____	-
2019-2023	_____	_____	-
2024-2028	_____	_____	-
2029-2033	_____	_____	-
	_____	_____	-
	_____	_____	-
	_____	_____	-
Total	\$ -	\$ -	\$ -

Note: If lease receivables extend past FY2033 create additional rows and report these future minimum lease receivables in five year increments. I've added three rows for you just in case you need them. You may need to add more.

Note T. Prior Year Restatement of Net Assets

N/A. This schedule is not applicable to LSU HSC Foundation Shreveport

The following adjustments were made to restate beginning net assets for July 1, 2012.

	Amount
Ending fund balance as reported on AFR at 6/30/2012	\$ _____
Adjustments identified after AFR was submitted to OSRAP in PY (usually as a result of audit adjustments):	
1) _____	_____
2) _____	_____
3) _____	_____
_____	_____
_____	_____
_____	_____
Subtotal	\$ _____ 0
Items identified during 2012/2013 requiring a restatement of PY ending Fund Balance:	
Please provide a full explanation for each prior year restatement.	
1) _____	_____
2) _____	_____
3) _____	_____
_____	_____
_____	_____
_____	_____
Subtotal	\$ _____ 0
Total PY adjustments	_____ 0
Beginning fund balance 7/1/2012, as restated	\$ _____ -

Note V. Segment Information & Reporting Funds of A Blended Component Unit

N/A. This schedule is not applicable to LSU HSC Foundation Shreveport

A segment is an identifiable activity or grouping of activities that has one or more bonds or other debt instruments outstanding, with a revenue stream pledged in support of the debt. This requirement for separate accounting applies if imposed by an external party, such as accounting and reporting requirements set forth in bond indentures. Disclosure requirements for each segment should be met by identifying the types of goods and services provided and by presenting condensed financial statements in the notes, including the elements in A through C in statement 34 paragraph 122, as modified by GASB 37, paragraph 17. In addition, a segment's revenues, expenses, gains and losses, assets and deferred outflows of resources, and liabilities and deferred inflows of resources are required by an external party (such as through a bond indenture) to be accounted for separately.

Segment information reporting must be required by external parties and must include a requirement to report all of the financial elements listed above.

Disclose condensed financial statements for blended component units. Per GASB Statement 61, paragraph 9(a), "For governments engaged only in business-type activities that use a single column for fiscal statement presentation, a component unit may be blended by consolidating its financial statement data with the single column of the primary government and presenting condensed combining information in the notes to the financial statements."

(University/System) issues revenue bonds to finance certain of its auxiliary enterprises. The revenues generated by the auxiliary enterprise are used to pay the interest and principal of these revenue bonds. Descriptive information for each of the institution's segments is shown below:

Types of goods or services provided by the segment or blended component unit (Circle one) are as follows _____

Condensed financial information for each of the institutions' segments/blended component unit follows:

CONDENSED STATEMENT OF NET POSITION

List entity or segment name

	Segment/Blended Component Unit #1	Segment/Blended Component Unit #2
Assets		
Current assets	\$ _____	\$ _____
Due from other funds	_____	_____
Capital assets	_____	_____
Other assets	_____	_____
Total Assets	_____	_____
Deferred Outflow of Resources	_____	_____
Total Assets & Deferred Outflow of Resources	_____	_____
Liabilities		
Current liabilities	_____	_____
Due to other funds	_____	_____
Long-term liabilities	_____	_____
Total Liabilities	_____	_____
Deferred Inflow of Resource:	_____	_____
Net Position		
Net, investment in capital assets	_____	_____
Restricted net position - expendable	_____	_____
Restricted net position - nonexpendable	_____	_____
Unrestricted net position	_____	_____
Total Net Position	\$ _____	\$ _____

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION:

	Segment/Blended Component Unit #1	Segment/Blended Component Unit #2
Operating revenues	\$ _____	\$ _____
Operating expenses	_____	_____
Depreciation expense	_____	_____
Net operating income	_____	_____
Nonoperating revenues (expenses):		
Investment income	_____	_____
Gifts of equipment	_____	_____
Gift income	_____	_____
Interest expense	_____	_____
Other (net)	_____	_____
Capital contributions/additions to		
permanent and term endowments	_____	_____
Changes in net assets	_____	_____
Net Position, beginning of the year	_____	_____
Net Position, end of the year	\$ _____	\$ _____

CONDENSED STATEMENT OF CASH FLOWS

	Segment/Blended Component Unit #1	Segment/Blended Component Unit #2
Net cash flows provided (used) by:		
Operating activities	\$ _____	\$ _____
Noncapital financing	_____	_____
Capital and related financing	_____	_____
Investing activities	_____	_____
Net increase(decrease) in cash	_____	_____
Cash, beginning of the year	_____	_____
Cash, end of the year	\$ _____	\$ _____

Service Concession Arrangements (SCAs) are types of public-private or public-public partnerships. The term public-private partnership is used to refer to a variety of service arrangements, management arrangements, and SCAs. An SCA is an arrangement between a government (the transferor) and an operator, who may be a governmental entity or a nongovernmental entity, in which all four criteria are met. For additional information, see OSRAP Memo 13-24.

NOTE: Attach select pages from the service concession arrangement that provide the facts detailed below.

Please complete the following information:

Identify the parties to the arrangement:

N/A. No such arrangements exist for LSU HSC Foundation Shreveport

The time period of the SCA:

Start date: _____

End date: _____

The asset/facility that is involved:

General description of the arrangement – management objectives, and status of the project during the construction period:

The nature and amounts of assets, liabilities, and deferred inflow of resources:

The nature and extent of rights retained by the transferor or granted to the governmental operator under the agreement:

Identify the significant consideration – up-front payments, installment payments, a new facility, improvements to an existing facility, etc.

Arrangements that have provisions for guarantees and commitments such as the transferor being responsible for the debt if the operator defaults or may include a minimum revenue guarantee to the operator. Provide the following:

Identify the guarantee and commitment

Duration of the arrangement

Significant contract terms of the guarantee or commitment:

SCHEDULE 1-A COMPONENT UNIT

Please update the amounts from last year as necessary

STATE OF LOUISIANA

Louisiana State University System

SCHEDULE OF BONDS PAYABLE
June 30, 2013Required for our
Financial Report

N/A. This schedule is not applicable to LSU HSC Foundation Shreveport

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/12	(Redeemed) Issued	Principal Outstanding 6/30/2013 *	Interest Rates	Interest Outstanding 6/30/13	Maturities
LSU Foundation								
Pooled Loan Program Revenue Bonds Series 2003A	05/01/03	\$ 12,725,000	\$ 6,225,000		\$ 6,225,000	variable		2014-2022
Unamortized premium (discount)								
Tiger Athletic Foundation								
Series 1999 Bonds	03/04/99	43,575,000	40,560,000		40,560,000	variable	-	2014-2033
Unamortized premium (discount)								
Series 2004 Bonds	03/23/04	90,000,000	79,725,000		79,725,000	variable	-	2014-2040
Unamortized premium (discount)								
LSU HSC Foundation New Orleans								
Equipment and Capital Facilities Pooled Loan Program	01/01/02	2,035,000	1,190,910		1,190,910	variable		2014-2024

LSU HSC Foundation Shreveport

N/A. None

STATE OF LOUISIANA

Put Component Unit Name Here

SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE
June 30, 2013

N/A. This schedule is not applicable to LSU HSC Foundation Shreveport

[illegible]

* Note: Principal outstanding at 6/30/13 should agree to Contracts Payable on the Statement of Net Assets.

Send copies of new amortization schedules

SCHEDULE 1-B (Component Unit)

Bond premium or discount should be listed on a separate line and not included in principal amount.

Issue	Date of Issue	Original Issue	Principal Outstanding June 30, 2012	Issued (Redeemed)	Principal Outstanding June 30, 2013	Maturities	Interest Rates	Interest Outstanding June 30, 2013
JP Morgan Chase	7/1/03	\$ 510,000	\$ 60,582	\$ (60,582)	0	N/A	6.85%	\$
JP Morgan Chase	7/23/04	276,000	45,258	(45,258)	-	N/A	6.85	
JP Morgan Chase	3/17/11	750,000	624,568	(89,573) ^b	534,995	N/A	5.00	68,219
Regions Bank	8/17/05	600,000	55,998	(55,998)	-	N/A	5.85	
					-			
					-			
					-			
					-			
					-			
TOTAL		\$	\$786,406	\$ (251,411)	\$534,995			\$ 68,219

TOTAL
Send copies of new amortization schedules

SCHEDULE 1-C (Component Unit)

Schedule 2-A COMPONENT UNIT

Do not include bond premium or discount in principal column

LSU HSC Foundation Shreveport

Schedule of Bonds Payable Amortization
for the Year Ended June 30, 2013

N/A. This schedule is not applicable to LSU HSC Foundation Shreveport

Fiscal Year Ending	Principal	Interest	Total
2014			0
2015			0
2016			0
2017			0
2018			0
2019			0
2020			0
2021			0
2022			0
2023			0
2024			0
2025			0
2026			0
2027			0
2028			0
2029			0
2030			0
2031			0
2032			0
2033			0
2034			0
2035			0
2036			0
2037			0
2038			0
2039			0
2040			0
2041			0
2042			0
2043			0
Sub-total	0	0	0
Unamortized discount			
Unamortized premiums			
TOTAL	\$0	\$0	\$0

List the terms by which interest rate changes for variable-rate debt:

--

Schedule 2-B COMPONENT UNIT

LSU HSC Foundation Shreveport

Schedule of Notes Payable Amortization
for the Year Ended June 30, 2013

Fiscal Year Ending	Principal	Interest	Total
2014	110,563	24,936	135,499
2015	107,501	18,268	125,769
2016	113,001	14,204	127,205
2017	118,783	8,422	127,205
2018	85,147	2,389	87,536
2019-2023			0
2024-2028			0
2029-2033			0
2034-2038			0
2039-2043			0
TOTAL	\$534,995	\$68,219	\$603,214

List the terms by which interest rate changes for variable-rate debt:

N/A. All notes payable are fixed rate debt

Schedule 2-C Component Unit

PUT COMPONENT UNIT NAME HERE

N/A. This schedule is not applicable to LSU HSC Foundation Shreveport	
---	--

SCHEDULE OF CAPITAL LEASE AMORTIZATION
For the Year Ended June 30, 2013

Fiscal Year Ending	Beginning Balance	Payment	Interest	Principal	Balance
2014			-		-
2015	-		-		-
2016	-		-		-
2017	-		-		-
2018	-		-		-
2019-2023	-		-		-
2024-2028	-		-		-
2029-2033	-		-		-
2034-2038	-		-		-
2039-2043	-		-		-
<hr/>					
TOTAL	-		-	-	-

List the terms by which interest rate changes for variable-rate debt:

Schedule 2-C (Component Unit)

Schedule 2-D Component Unit

N/A. This schedule is not applicable to LSU HSC Foundation Shreveport

Put Name of Component Unit Here

Schedule of Reimbursement Contracts Payable Amort
for the Year Ended June 30, 2013

Fiscal Year		
Ending	Principal	Interest
2014		
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		
2040		
2041		
2042		
2043		

TOTAL	\$0	\$0
-------	-----	-----

List the terms by which interest rate changes for variable-rate debt:

--

Schedule 2-D (Component

LOUISIANA STATE UNIVERSITY SYSTEM

SCHEDULE OF EXPENSES BY UNIVERSITY
For the Year Ended June 30, 2013

The LSU Foundation should allocate the required expenses among the campuses it supports.

Agency No.	Name of individual university and agency no.:	University		*Foundation		Eliminations	Total Expenses
		Amount		Amount			
1. 19-601	1) LSU	\$		\$		\$	0
2. 19-603	2) LSU Alexandria						0
3. 19-606	3) LSU Eunice						0
4. 19-608	4) LSU Agricultural Center						0
5. 19-609	5) LSU Law Center						0
6. 19-600	6) LSU System Office						0
7.	7) LSU Pennington Biomedical Center						0
8. 19-605	8) LSU Health Sciences Center - New Orleans						0
9.	9) LSU Health Sciences Center - Shreveport			7,408,939			7,408,939
10 19-607	10) LSU Shreveport						0
	Total	\$	0	\$	7,408,939	0	\$ 7,408,939

Enter eliminations as negative numbers.

* Should only include foundations that are included in this AFR packet

Show eliminations as a negative

"Total Expenses" above should agree to the "Combined Total" expenses shown on the Statement of Activities. You do not have to prepare the Statement of Activities to complete Schedule 4, however. Expenses to be reported here are the sum of the amounts shown on lines "total operating expenses", "interest expense", and "payments to or on behalf of the university" on the SRECNP.

System Office Note 16: Restricted Net Assets - Component Units

Please report the composition of your restricted assets. If none, please indicate so on the form.

	LSU Foundation	Tiger Athletic Foundation	HSC S Foundation	HSC N.O. Foundation
Temporarily restricted:				
Chairs and professorships			2,488,709	
Scholarships and fellowships			-	
Specific academic and research projects			-	
Academic support			2,649,883	
Capital outlay and improvements			61,804	
Research support			79,129,242	
Institutional support			2,107,561	
Faculty - salary supplements				
Donor restrictions			149,455	
Restricted contributions receivable			-	
Restricted accounts payable			-	
Building funds			-	
Educational studies program			-	
Total temporarily restricted	-	-	86,586,654	-
 Permanently restricted				
Chairs and professorships			9,681,667	
Scholarships and fellowships			-	
Specific academic and research projects			-	
Academic support			-	
Capital outlay and improvements			-	
Research support			-	
Institutional support			-	
Endowment Funds			2,430,905	
Educational studies program			-	
Faculty - salary supplements			-	
Total permanently restricted	-	-	12,112,572	-

System Note 24. Cooperative Endeavor Agreements - Component Units

Below is the language included in the FY 11 financial statements regarding significant cooperative endeavor agreements entered into by your foundation. Please carefully review and update as necessary the portion that applies to your foundation.

If your foundation discloses a cooperative endeavor agreement in its financial report please include the disclosure in the second text box below.

Tiger Athletic Foundation

In 1999, the Tiger Athletic Foundation (TAF) entered into a cooperative endeavor agreement with LSU that obligated TAF to acquire, construct, and maintain new scoreboards in LSU athletic venues at a total cost of approximately \$5.2 million. In return for its fulfillment of this obligation, TAF was given an eight-year license to solicit certain qualified corporate sponsorship contracts. In connection with its issuance of the Series 2004 Revenue Bonds, LSU extended TAF's rights to solicit qualified corporate sponsorship contracts for a period of approximately 35 years. Effective July 1, 2005, TAF, with approval of LSU, entered into a ten-year lease agreement with Viacom Outdoor Advertising, Inc. d/b/a LSU Sports Properties, whereby TAF leased its rights to the scoreboards to Viacom in return for an annual guaranteed rental payment. The rental payment, which was \$1.4 million in year one and will increase by \$25,000 annually each year during the life of the lease agreement, is due in two equal installments payable in July and October of each year.

LSU HSC Foundation Shreveport

Intermodal Transit Facility, LLC was formed in March 2007 to purchase property and construct an intermodal transit oriented facility as a ride link for the City of Shreveport's SporTran passengers and the Center's patients, employees, students, and customers. Intermodal Transit Facility, LLC entered into a Cooperative Endeavor Agreement with the City of Shreveport which governed the use of \$1,235,949 of Section 5309 Federal Transit Administration funds earmarked as an 80% match for construction of the intermodal transit facility. In order to receive these grant funds, Intermodal Transit Facility, LLC was required to provide a match equal to 20% of the project cost. In addition, Intermodal Transit Facility, LLC was required to pay the City of Shreveport an administrative fee in the amount of 10% of the total FTA grant funds used for the project. Construction of the intermodal transit facility was completed in June 2009, and the total cost of the facility including the purchase of property and administrative fees of \$1,609,160 net of accumulated depreciation. A summary of the project's activity follows:

Year Ended June 30	Capitalized Expenditures	Expensed Expenditures	Capitalized Administrative Fees	Total Project Cost	Less Grant Income	Intermodal's Match Plus Admin. Fees
2007	748,749	-	59,900	808,649	598,999	209,650
2008	110,402	-	8,832	119,234	88,322	30,912
2009	630,515	4,016	50,762	685,293	507,624	177,669
	<u>1,489,666</u>	<u>4,016</u>	<u>119,494</u>	<u>1,613,176</u>	<u>1,194,925</u>	<u>418,251</u>

System Note 25. Amounts Held in Custody for Others - Component Units

Shown is the template used FY 12. Please update as necessary for your Foundation for FY 13 (or year ending 12/31/12)

Entity	LSU Foundation	Tiger Athletic Foundation*	LSU Health Sciences Center Foundation	LSUHSC Shreveport Foundation	Total
LSU at Alexandria Foundation					0
LSU at Eunice Foundation					0
State matching funds					0
Split-interest agreements					0
Tiger Athletic Foundation					0
Coaches escrow accounts / affiliated chapters					0
LSU Athletic Department					0
Building tenant security deposits					0
LSUHSC Shreveport				62,560,128	62,560,128
Total temporarily restricted	\$0	\$0	\$0	\$62,560,128	\$62,560,128

*As of December 31, 2012